Congressional Research Service
Informing the legislative debate since 1914

IN FOCUS

Updated April 6, 2026

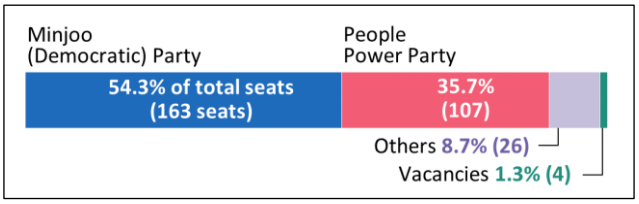
South Korea: Background and U.S. Relations

Overview

South Korea (officially the Republic of Korea, or ROK) is one of the United States' most important strategic and economic partners in Asia. Under the 1953 U.S.-ROK Mutual Defense Treaty, the United States and South Korea committed to defend each other against armed attack, particularly from North Korea (officially the Democratic People's Republic of Korea, or DPRK). Approximately 28,500 U.S. troops are based in South Korea. In 2025, South Korea was the United States' eighth-largest goods trading partner, and the United States was South Korea's second-largest trading partner. The U.S.-South Korea Free Trade Agreement (KORUS FTA), signed in 2012, is the United States' second-largest trade agreement by value. Over the past decade, congressional interest in U.S.-ROK relations often has focused on cooperation on North Korea and Indo-Pacific policies, the U.S.-ROK alliance, U.S.-ROK-Japan relations, and bilateral trade and investment.

In June 2025, South Koreans elected Lee Jae Myung as president. Lee's left-of-center Democratic Party controls the National Assembly (**Figure 1**). His term is slated to end in June 2030. (ROK presidents serve one five-year term.)

Figure 1. South Korea's National Assembly



Source: ROK National Assembly, accessed January 18, 2026.

Note: Next scheduled legislative elections are in April 2028.

Lee has identified U.S.-ROK relations, as well as ROK-U.S.-Japan cooperation, as "core pillars" of his diplomacy. He also has sought to re-open dialogue with North Korea and to stabilize official bilateral relations with China, which were tense under his predecessor.

The Trump and Lee governments appear to be transforming the U.S.-ROK relationship in several areas. The two sides negotiated a tariff and investment deal in the fall of 2025, though President Donald Trump's tariff actions appear to disregard the KORUS FTA and have harmed South Korea's export-oriented economy. The Trump Administration has sought to expand the explicit geographic focus of U.S. forces in South Korea, as well as the U.S.-ROK alliance, beyond defending the Korean Peninsula to dealing with the regional challenges posed by China. This could pose a challenge to Lee, who has said "there is no need to unnecessarily antagonize" China. Lee appears to have used U.S. demands on South Korea as opportunities to gain Trump Administration support for: an expedited transfer of wartime operational control of combined military forces; ROK acquisition of nuclear-powered submarines; and ROK pursuit of uranium enrichment and spent nuclear fuel reprocessing for peaceful purposes. Lee's government responded to a September 2025 U.S. immigration enforcement raid at a Hyundai manufacturing plant in Georgia by negotiating improved visa conditions for ROK workers in the United States. A broader effort to provide an allotment of high-skilled work visas for ROK nationals is contained in H.R. 4687, the Partner with Korea Act.

North Korea Policy

Since the breakdown of nuclear diplomacy between President Trump and North Korean leader Kim Jong-un in 2019, North Korea has refused virtually any substantive contact with the United States or South Korea. North Korea has continued to develop and expand its nuclear weapons stockpile and regularly conducts flight tests of its growing missile arsenal. Kim has said he will "never" denuclearize and has boosted relations with Russia and China, including forging a new strategic partnership with Moscow. Analysts say possible Russian transfers of advanced military technology, in addition to China's increased economic and diplomatic support, could boost North Korea's military capabilities and embolden Kim.

Lee, who has proposed plans to achieve inter-Korean peace and a phased denuclearization of the DPRK, has welcomed Trump's statements that he wants to restart personal diplomacy with Kim. The two allies have continued to take deterrent actions such as major joint military exercises, and have said their ultimate goal remains North Korea's denuclearization. Some U.S. and ROK analysts advocate an alternative approach focusing on more limited measures, like a freeze or test moratorium, to halt advances in North Korea's nuclear and missile programs.

U.S.-South Korea Alliance

Trump and Lee are seeking to "modernize" the alliance by broadening its mission and boosting South Korea's role. The Trump Administration's National Defense Strategy calls for South Korea to take "primary responsibility" for its own defense, with "critical but more limited U.S. support." Lee pledged to increase ROK defense spending, from roughly 2.3% of GDP in 2025 to 3.5% of GDP as soon as possible, and South Korea increased its defense budget by 7.5% for 2026. Lee reportedly is proceeding with plans for South Korea to acquire nuclear-powered submarines, which Trump said he supports.

Some potential alliance issues remain unaddressed, such as whether and to what extent U.S. forces in South Korea should expand their activities to address threats beyond the Korean Peninsula. In a 2006 joint statement, the allies "confirmed their understanding" that the ROK "respects the necessity for strategic flexibility" of U.S. forces in the ROK. This issue has received renewed attention under the Trump Administration. In the ongoing conflict with Iran, the

Pentagon reportedly deployed elements of a missile defense system from South Korea to the Middle East; Lee "expressed opposition" to the move but said deterrence against North Korea would not be affected.

Washington and Seoul have adapted the alliance to recognize South Korea's increased military capabilities. Since 2006, the two sides have been preparing to transfer wartime operational control (OPCON) to a binational command led by an ROK general with a U.S. deputy. Currently, ROK forces would be under a binational command led by a U.S. general in wartime. The allies have established conditions and benchmarks to demonstrate that the ROK can assume wartime OPCON. Both countries reportedly are considering targeting 2028 as a completion date for the OPCON transfer.

South Korea and the U.S.-Iran Conflict

South Korea relies on the Middle East for well over half of its oil, as well as significant shares of various industrial inputs. In response to the U.S. military conflict with Iran, Lee's government has unveiled multiple emergency economic stabilization measures. Trump has called for South Korea and other countries to deploy naval vessels to help reopen the Strait of Hormuz. Lee's government has responded by saying it is reviewing the issue.

South Korea's Regional Relations

China. For at least 20 years, China has been South Korea's largest trading partner and among its largest destinations for foreign direct investment (FDI). For these and other reasons, ROK leaders generally seek constructive relations with China. Beijing occasionally has imposed retaliatory measures on South Korean companies for ROK government policy choices. For nearly a decade, South Korean opinion polls have shown strong negative attitudes toward China. Lee has said that although South Korea and China share "inevitable ties," Seoul "cannot act or make decisions that go against America's basic policy stance" toward China. He also has said South Korea should avoid becoming involved in the China-Taiwan dispute.

Japan. ROK-Japan relations often are fraught because of sensitive legacy issues from Japan's colonization of the Korean Peninsula from 1910 to 1945. Tense relations between Seoul and Tokyo often impede U.S.-ROK-Japan policy coordination. In 2023 and 2024, South Korea and Japan largely set aside their disagreements over history. This allowed the three countries to undertake several unprecedented trilateral arrangements, including expanded military exercises, the sharing of real-time data on DPRK missiles, and the establishment of a secretariat. Backing away from his previous criticism of these moves, Lee has embraced them as president. He also has said he will honor past ROK government agreements with Japan on history issues and will treat disagreements over history separately from other issues.

U.S.-South Korea Economic Relations

U.S. goods and services exports to South Korea totaled $97.9 billion in 2025, and imports totaled $143.4 billion. In 2024 (latest available), the stock of South Korean FDI in the United States was $92.1 billion and U.S. FDI in South Korea was $36.4 billion. The United States was South Korea's largest FDI destination in 2024, accounting for 34.5% of South Korea's outbound FDI. The KORUS FTA has been the centerpiece of bilateral trade and investment relations since its entry into force in 2012. The agreement eliminated virtually all tariffs on imports from the other country. The Trump Administration's 2025 tariff actions may violate U.S. obligations under the KORUS FTA.

U.S. Tariff Actions and Trade Negotiations. Under the 2025 the U.S.-Korea Strategic Trade and Investment Deal, the United States lowered tariffs to 15% on certain sector-specific goods imposed under Section 232 of the Trade Expansion Act of 1962, including autos. The deal also set sector-specific limits for potential future tariffs on pharmaceuticals and semiconductors. Section 232 tariffs on steel and aluminum imports remain at 50%; South Korea is a top source of U.S. steel imports. Additionally, the agreement lowered the country-specific tariff imposed under Executive Order (E.O.) 14257 from 25% to 15%. In February 2026, President Trump ended the country-specific tariffs after the Supreme Court ruled that the President did not have the authority to impose those tariffs. Trump then imposed a temporary, 150-day global 10% tariff under Section 122 of the Trade Act of 1974. The Administration intends to impose tariffs under other authorities, including Section 301 of the Trade Act of 1974, which addresses unfair trade practices. South Korea was named in two Section 301 investigations (structural excess manufacturing capacity and forced labor) that the U.S. Trade Representative initiated in March 2026.

The 2025 agreement also included a $350 billion investment pledge from South Korea, with $150 billion earmarked for the U.S. shipbuilding industry. The remaining $200 billion is expected to be directed toward U.S. industries that "advance economic and national security interests," as approved by the U.S. President. South Korea will not be expected to invest more than $20 billion per year. In March 2026, South Korea's National Assembly passed legislation creating an investment vehicle that will facilitate South Korea's investments under the agreement; President Trump had threatened to raise tariffs on South Korean goods to 25% over dissatisfaction with South Korea's implementation speed.

Under the agreement, the United States and South Korea also agreed to address longstanding nontariff trade barriers (NTBs), including South Korea's digital trade policies. U.S. and ROK trade officials were scheduled to hold a KORUS joint committee meeting in December 2025 to finalize NTB commitments, among other things. The United States reportedly canceled the meeting due to concerns over South Korea's investigation into Coupang, a U.S.-based e-commerce company that primarily operates in South Korea. Members of Congress have expressed similar concerns.

Mark E. Manyin, Specialist in Asian Affairs
Daniel J. Longo, Analyst in Foreign Affairs
Liana Wong, Analyst in International Trade and Finance

IF10165

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.